

~~SECRET~~

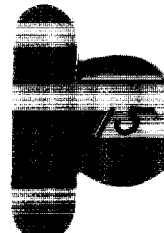
D R A F T

14 February 1955

MEMORANDUM FOR: Executive Secretary, EBAC
FROM : Executive Secretary, EDIC
SUBJECT : Summary of Current EDIC Activities - Newsletter No. 25

Current activities of the Economic Defense Intelligence Committee (EDIC) include: (1) Downgrading of OS/COCOM/CHINCOM documents from Secret to Confidential, a problem referred to EDIC by POLTO 861 of 11 November. A survey is now being conducted in CIA to determine which of the more than 2,900 documents can be downgraded. CIA has taken the position that if such documents incorporate any intelligence they must retain a Secret classification; (2) External Financial Operations of the Soviet Bloc (IWG/R-16) - EDIC is awaiting from the Executive Committee a statement of priorities for work on this subject in the light of other research needs. Upon receipt of this statement EDIC will undertake to allocate to existing units within the intelligence community the specific functions suggested in the IWG report; (3) Criteria for China List Review - EDIC and the intelligence community are engaged in a review of criteria which would elicit adequate intelligence to meet US objectives in support of a reconsideration of the China List. EDIC will probably be asked to review CIA and State contributions to a joint paper which will be sent to EBAC for final approval; (4) EDIC recently reviewed the status of action agency requirements for intelligence from the military intelligence agencies, concluding that adequate procedures exist for transmittal of enforcement intelligence through the DFM mechanism and there is satisfactory distribution of other than enforcement-type intelligence; (5) EDIC has considered

~~SECRET~~



~~SECRET~~
~~SECRET~~

25X1A

the recent [REDACTED] delegate proposal for an exchange of information with the U.S. on China trade, and has tentatively accepted the idea of preparing a paper to be furnished [REDACTED] (6) Surveillance of 25X1X6 Decentralized Commodities - the JOC is expected to prepare a short list of decentralized commodities which will be used by EBIC in determining the most feasible method of tracing movements of such items to the Soviet bloc; (7) The EBIC has considered initiating an intelligence study on the effectiveness of bunker controls. The suggestion for such a study arose in connection with a proposal to use bunker controls as a means of harassing the delivery of a Finnish ship recently sold to Communist China; (8) Studies have been completed on the strategic significance of indium to the Soviet bloc, and Soviet production of "jeeps". In the field of Soviet trade tactics, EBIC has reviewed an OIR/State paper on Soviet bloc trade trends and tactics in petroleum.

[REDACTED] 25X1A9a

Distribution

Orig - Acting Chairman, EBIC
1 - CA/S/E
1 - EBIC Chrono File

~~SECRET~~